

3. Liberty sets its rates for programming, including its bulk rates, to be competitive with the rates charged by Time Warner. Liberty charges all of its customers uniform rates and guarantees its bulk rates in long term contracts. Liberty sets its rates in reliance on the rates charged by Time Warner cable companies as set forth in their franchises. Any arbitrary, capricious, discriminatory, unlawful or unannounced changes in Time Warner's rates adversely affects Liberty's ability to quote and commit to long term competitive and uniform rates with its customers. Liberty files this Petition because Time Warner has apparently been granted permission—illegally, capriciously and in secret—to set new and discriminatory rates in Manhattan which are unlawful and implemented without any prior announcement.

4. On or about October 10, 1992, Time Warner presented a bulk rate proposal ("Bulk Rate Proposal") to the City of New York Department of Telecommunications and Energy (the "Department"). A true copy of the Bulk Rate Proposal is annexed as Exhibit B.*

5. In the Bulk Rate Proposal, Time Warner seeks the Department's approval, pursuant to § 5.4 of the 1990 Manhattan Franchise Agreements, to provide its cable television service on a bulk rate basis in Manhattan to buildings with twenty (20) units or more. In addition, the Bulk Rate Proposal appears to solicit the Department's approval for an ad hoc, building by building, waiver of the franchise construction requirements pertaining to

* The annexed exhibit does not include Exhibit A to the Bulk Rate Proposal. The Department has refused to provide a copy of this document to the Petitioner.

multifamily buildings. See Bulk Rate Proposal, at p. 3 of Exhibit D to the Bulk Rate Proposal, footnote 4.

6. By letter dated November 18, 1992, the Department advised Time Warner that the Bulk Rate Proposal would be approved subject to certain modifications including making bulk service available in buildings with fifteen (15) units or more. A true copy of that letter is annexed hereto as Exhibit C. The Department apparently made this decision arbitrarily, capriciously, with no public notice, hearing or other solicitation of public comment and in direct contravention of the spirit of the law of the existing cable regulatory scheme in New York City and New York State.

7. On or about December 8, 1992, a representative of Paragon Cable advised a cooperative board of directors that "we have obtained a bulk rate agreement with the City." A true copy of that correspondence is annexed hereto as Exhibit D.

8. At the time the 1990 Manhattan Franchise Agreements were submitted for the Commission's approval, the Agreements prohibited bulk billing arrangements except upon approval of the Department. Copies of the relevant provisions, § 5.4 and 5.5, are annexed as Exhibit E.

9. This Commission approved the 1990 Manhattan Franchise Agreements by an order adopted August 8, 1990 and released February 28, 1991. In the Matter of Application of Manhattan Cable Television, Inc. for Approval of a Renewal of a Franchise in the City of New York (Borough of Manhattan), Docket No. 30711 and In the Matter of Application of Paragon Cable

Manhattan for Approval of a Renewal of a Franchise for the City of New York (Borough of Manhattan), Docket No. 30712, New York State Commission on Cable Television Decision No. 91-060 (the "Approval"). At page 15 of the Approval, the Commission said:

§ 5.4 and 5.5 of each agreement provide that bulk rate agreements. . . can be implemented upon approval by [the Department]. These rates remain subject to regulation under § 623 of the Cable Act (47 U.S.C. § 543) and, therefore, are also subject to the provisions of § 825 and 822 of the Executive Law. The fact that the authority to approve rates is delegated by a legislative body does not remove the matter from statutory requirements.

Accordingly, we wish to make clear that any action pursuant to § 5.4 and 5.5 which constitutes an amendment to the franchise pursuant to § 825, is subject to commission approval under § 822.

10. Executive Law § 825(1) provides "the rates charged by cable television companies shall be those specified in the franchise." The 1990 Manhattan Franchise Agreements, as approved by the Commission, do not specify any bulk rates or any class of subscribers who could receive bulk rates in the future.

11. It appears that the Department has approved the Bulk Rate Proposal as modified, and has thus approved a new rate structure that is different from that originally specified in the 1990 Manhattan Franchise Agreements. Accordingly, the Bulk Rate Proposal cannot be implemented except as approved by the Commission and after an amendment of the 1990 Manhattan Franchise Agreement in accordance with the applicable provisions of the Executive Law and implementing regulations.

12. It also appears that the Department has approved a rate structure that grants a preference to the residents of multifamily properties with fifteen (15) units or more in Manhattan and discriminates against residents of all other boroughs of New York City and the residents of multifamily properties with fourteen (14) units or less in Manhattan. This rate structure appears to be discriminatory and preferential between subscribers similarly situated. The Bulk Rate Proposal also appears to require the purchase of tiers other than the basic service tier as a condition of access to programming offered on a per channel basis. The Bulk Rate Proposal should be reviewed by the Commission for compliance with Executive Law § 825(3)(b) and 47 U.S.C. § 543(b)(8)(A)* after public notice and the opportunity for hearing.


WHEREFORE, Petitioner respectfully requests that the Commission issue an order as follows:

1. Declaring that the Commission's approval of the Bulk Rate Proposal is necessary and requires the amendment of the 1990 Manhattan Franchise Agreements pursuant to Article 28 of the Executive Law and its implementing regulations; and

* Executive Law § 825(3)(b) provides "any rate or rates found by the Commission, after public notice and opportunity for hearing, to be discriminatory or preferential as between subscribers similarly situated shall thereafter be void." 47 U.S.C. § 543(b)(8)(A) provides, "A cable operator may not require the subscription to any tier other than the basic service tier. . . as a condition of access to video programming offered on a per channel or per program basis. A cable operator may not discriminate between subscribers to the basic service tier and other subscribers with regard to the rates charged for video programming offered on a per channel or per program basis."

2. Commencing a full penary proceeding upon notice and public hearing to determine whether the rate structure set forth in the Bulk Rate Proposal is legal pursuant to Executive Law § 825(3)(b) and 47 U.S.C. § 543(b)(8)(A).

Dated: December 17, 1992



W. JAMES MacNAUGHTON, ESQ.
Attorney for Petitioner
Liberty Cable Company, Inc.
90 Woodbridge Center Drive,
Suite 610
Woodbridge, New Jersey 07095
(908) 634-3700

OF COUNSEL:


KANE KESSLER PROWJANSKY TULLMAN
& NURNBERG, P.C.
Attention: Jerry Oppenheim, esq.
1350 Avenue of the Americas
New York, New York 10019

CC: The Hon. William Squadron,
Commissioner Department of
Telecommunications and Energy

Richard Aurelio, President
Time Warner New York City
Cable Group

CERTIFICATION

W. JAMES MacNAUGHTON, whose address is 90 Woodbridge Center Drive, Suite 610, Woodbridge, New Jersey 07095, is an authorized representative of Petitioner Liberty Cable Company, Inc. I have read the foregoing Petition and to the best of my knowledge, information and belief, the facts asserted therein are true and correct and the Petition is not interposed for purposes of delay.



W. JAMES MacNAUGHTON

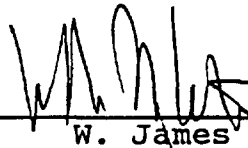
Dated: December 18, 1992

CERTIFICATION OF FILING AND MAILING

I hereby certify that the original and four copies of the annexed Petition For Declaratory Ruling dated December 18, 1992 have been filed this same date with the New York State Commission on Cable Television by facsimile and Federal Express.

I also certify that a true copy of same was mailed by first class mail on this day to the following:

Richard Aurelio, President
Time Warner New York City Cable Group
1270 Avenue of the Americas
New York, New York 10020



W. James MacNaughton

Dated: December 18, 1992

PRICE COMPARISON OF LIBERTY vs. FRANCHISED CABLE COMPANIES

Basic Service	Comparison		Savings with Liberty		
	Liberty	Cable	Month	Year	%
1 TV	\$12.00	\$21.95	\$9.95	\$119.40	45%
2 TV	12.00	29.95	17.95	215.40	60%
3 TV	12.00	38.45	26.45	317.40	69%
(NOTE: Liberty charges per apartment NOT per TV set)					
Basic Service Plus Premium Service*	Comparison		Savings with Liberty		
	Liberty	Cable	Month	Year	%
1 TV + 1 Premium	\$24.00	\$34.90	\$10.90	\$130.80	31%
2 TV + 2 Premium	42.00	61.45	19.45	233.40	32%
3 TV + 3 Premium	56.00	86.95	30.95	371.40	36%
Building Basic Service Plus Building Premium Service	Comparison		Savings		
	Liberty	Cable	Month	Year	%
2 or more TVs + 2 Premiums	\$29.95	\$61.45	\$31.50	\$378.00	51%

(NOTE: This service is for buildings which elect the same premiums for every apartment.)

* One Premium Channel \$12.00 monthly; two Premiums are \$10.00 each; and three or more Premiums are \$8.00 each. The 1st converter is free and each additional is \$10.00 per month. First-time installation is \$20.00.

**Building Basic plus Premium Basic Service provides two premium channels on a bulk basis to all apartments in the building receiving Liberty basic service. No converter boxes are necessary unless an individual tenant orders additional premium channels above those two included in the Premium Basic service.

LIBERTY'S BASIC SERVICE CORRESPONDS TO MCTV / PARAGONS'S STANDARD PLUS TIER:

MCTV / Paragon basic is \$21.95 monthly plus \$12.95 for one Premium Channel; \$11.50 each for two; and \$10.67 each for three. If the 1st TV has one or two premiums, an additional converter with one premium is \$16.50. Standard installation is \$39.95.

PROGRAMMING SCHEDULE

Basic Service

Channel 2 (WCBS) - New York
Channel 4 (WNBC) - New York
Channel 5 (WNYW) - New York
Channel 7 (WABC) - New York
Channel 9 (WWOR) - New York
Channel 11 (WPIX) - New York
Channel 13 (WNET) - New York
Channel 20 (WTVX) - Connecticut
Channel 21 (WLIW) - Long Island
Channel 25 (WNYE) - New York
Channel 31 (WNYC) - New York
Channel 41 (WXTV) - New Jersey
Channel 47 (WNJU) - New Jersey
Cable News Network (CNN)
CNN Headline
ESPN
Turner Broadcasting System (TBS)
Arts & Entertainment (A & E)
Madison Square Garden (MSG)
The Nashville Network (TNN)
CUNY
Financial News Network/CNBC

Madison Square Garden II (MSG II)
Music Television (MTV)
Video Hits One (VH-1)
Nickelodeon
Lifetime
WGN - Chicago
USA Network
C-SPAN
The Family Channel
The Discovery Channel
Home Shopping Network
Turner Network Television (TNT)
The Weather Channel
E! Entertainment Channel
International Channel
American Movie Classics (AMC)
Building Bulletin Board¹
The Preview Guide
Electronic Preview Guide
Comedy Central
Black Entertainment
KTLA-Los Angeles
WSKB-Boston

Premium Channels

Home Box Office
Cinemax
The Movie Channel
Showtime
Bravo
The Playboy Channel

TV Japan
Disney Channel
Sports Channel²
Sports Channel America²
Pay-Per-View (Viewer's Choice One)
Pay-Per-View (Viewer's Choice Two)

¹ Additional terminals and cameras required to activate these channels.

² Available on a bulk purchase basis only.

T I M E W A R N E R

October 10, 1992

Hon. William F. Squadron
Commissioner
Department of Telecommunications and Energy
75 Park Place -- 6th Floor
New York, New York 10007

RE: Amended Bulk Rate Proposal

Dear Commissioner Squadron:

This letter is to respond to the issues you raised at our meeting on September 23, 1992, and to further modify our amended Bulk Rate Proposal dated July 10, 1992.

The Manhattan system of Time Warner Cable of New York City ("Manhattan") and Paragon Cable Manhattan ("Paragon") (collectively the "Companies") have previously proposed to offer bulk rates uniformly to any multiple dwelling unit building that contains a minimum of 25 dwelling units. You have asked for a statistical analysis by the Companies of the number of homes passed that would be affected if bulk rates were offered to buildings containing the following minimum numbers of units: 25, 20, 15, 10 and 6.* The Companies' have analyzed their databases and determined the following:

<u>Threshold</u>	<u>Percentage of Homes Passed</u>	
	<u>Manhattan</u>	<u>Paragon</u>
25	73.7	73.1
20	80.9	81.1
15	86.2	85.9
10	91.2	92.1
6	94.7	96.4

-
- * You have also asked for a listing of the Companies' existing bulk rate buildings by type of ownership (e.g., co-op, condo, rental, etc.). I have enclosed such listing for Paragon as Exhibit A. A similar list for Manhattan is in preparation and will be supplied shortly under separate cover.

In the interest of broadening the availability of bulk rate discounts, the Companies would be prepared to lower the eligibility threshold to individual buildings with twenty (20) units or more. This would make bulk discounts available to over 80% of the homes in both franchise areas, thus affecting the widest possible universe that is practical to administer. To offer bulk rates to buildings with fewer than 20 units is simply not financially viable or administratively realistic.

We would be prepared to limit the service level that we would offer to buildings on a bulk basis to packages of service tiers below the premium level, i.e., either (i) Broadcast Basic Service and the Standard Service tier or (ii) Broadcast Basic Service and the Standard tier and Standard Plus tiers. The building owner would receive a twenty-five percent (25%) discount on whichever of the two packages is selected. To limit our offer further than the above would destroy our ability to compete effectively with non-franchised pay TV providers, who are unregulated and therefore are not subject to similar restrictions.

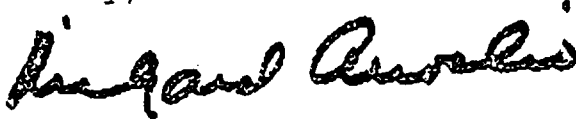
With respect to the other items you raised at the September 23 meeting, our responses are as follows:

- (1) We would be prepared to waive installation charges for buildings with existing cable service, but not buildings that have not previously been served.
- (2) Once we reach agreement with a building owner on a bulk rate arrangement, we will notify all residents that the landlord is contractually prohibited from marking up the price of service to a level higher than the normal retail price. A draft of such a notice is enclosed herewith as Exhibit B.
- (3) All residents of a bulk rate building will be accorded all normal subscriber rights (e.g., privacy, credits, etc.), whether or not they subscribe to any additional services in excess of bulk service. They will receive all notices and other information routinely provided to non-bulk customers.

- (4) The Companies plan to send letters to the owners of all eligible buildings within 180 days following approval by the City of the terms of a bulk rate plan. A draft of the form of notice is enclosed herewith as Exhibit C.
- (5) The changes we have discussed have been incorporated into the proposed form of bulk rate agreement we submitted previously, which is enclosed herewith as Exhibit D.

We would appreciate your earliest possible response to this revised proposal.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Aurelio". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Richard Aurelio

cc: Robert Jacobs
John Rigsby
Barry Rosenblum

EXHIBIT B

NOTICE OF BULK SERVICE CUSTOMER RIGHTS

Dear Resident:

The Owner of your building has entered into a Bulk Billing Agreement with [Time Warner Cable of New York City] [Paragon Cable Manhattan]. Under the terms of that Agreement, the Owner has agreed to pay for cable television service for every apartment in your building. In return for that 100% commitment, [Time Warner] [Paragon] will provide the Owner with a 25% discount from the normal retail price for such service.

Please be advised that, under the terms of the Bulk Billing Agreement, the Owner may not bill you for the Bulk Service we provide any more than the normal retail price of that service. You should also be aware that you are entitled to purchase any other cable services we offer (e.g., additional outlets, premium service, pay-per-view programs) directly from us at our normal prices for such services. You are also entitled to all other rights to which our non-bulk rate customers are entitled.

If you have any questions about your rights as a cable television customer, please call us at _____ or you may call the New York City Department of Telecommunications and Energy at _____ or the New York State Commission on Cable Television at _____.

We look forward to providing you with the finest in cable television service.

Sincerely,

[Time Warner Cable of New York City]

[Paragon Cable Manhattan]

NOTICE OF THE AVAILABILITY OF BULK RATES

Dear Owner:

[Time Warner Cable of New York City] [Paragon Cable Manhattan] has been authorized by the City of New York to offer bulk discounts to the owners of apartment buildings with twenty (20) or more dwelling units.

We would be prepared to offer you a twenty-five percent (25%) discount each month on either of the following service packages:

- (1) Broadcast Basic Service and the Standard Service tier (current retail price \$14.95 + \$6.00 = \$20.95; total discounted bulk rate \$15.70, a monthly savings of \$5.25); or
- (2) Broadcast Basic Service and the Standard Service tier and the Standard Plus tier (current retail price \$14.95 + \$6.00 + \$1.00 = \$21.95; total discounted bulk rate \$16.45, a monthly savings of \$5.50).

In return for that 25% discount, you must agree to purchase the selected level of service for one hundred percent (100%) of the dwelling units in your building.

Should you be interested in bulk rate service, please complete the enclosed form and return it to us.

Sincerely,

[Time Warner Cable of New York City]

[Paragon Cable Manhattan]

EXHIBIT D

BULK BILLING AGREEMENT

AGREEMENT, dated the _____ day of _____, 199_,
between _____ ("Client"),
owner of the building located at _____
_____ (the "Premises"), and [Time Warner Cable of New York
City, a division of Time Warner Entertainment Company, L.P.]
[Paragon Cable Manhattan] (the "Company")¹, with its principal
place of business at _____, New York,
New York 100____. In consideration of the covenants herein and for
other good and valuable consideration, the parties hereto agree
as follows:

I. SERVICE

The Company hereby agrees to install one primary cable televi-
sion outlet with converter in each apartment at the Premises and
to provide to that outlet its _____ Service tier
("Bulk Service").² A total of _____ apartments will receive
Bulk Service subject to change pursuant to Section VII-C of this
Agreement. All outlets receiving Bulk Service will be in loca-
tions selected by individual apartment residents ("Subscribers").

II. PAYMENTS

A. Client shall pay to the Company the Company's current
usual installation rate for each converter installed to provide
Bulk Service to the Premises.³

-
- ¹ [In the event that the City approves this proposed form of
agreement, each company will substitute its own name as
appropriate when using this contract.]
- ² [The precise level of service will depend on the agreement
reached with each individual building.]
- ³ [This paragraph applies only to buildings which have not
previously had cable service; there will be no installation
charge for buildings with existing customers. The Company
reserves the right to charge a different installation rate
depending on actual circumstances, including but not limited
to the Company's cost of labor and materials.]

B. Regardless of the number of apartments actually receiving Bulk Service, the Company shall bill Client directly and Client shall pay to the Company within ten (10) days of the date of such bills, a monthly amount equal to the product of:

- 1) the total number of apartments on the Premises; multiplied by
- 2) an amount equal to 75% of the Company's then current rate for Bulk Service ("Current Rate"). For example, the Company's Current Rate as of the date of this Agreement is \$_____ per month, hence the current discounted rate for Bulk Service is \$_____ per month per unit.
- 3) Client's total monthly Bulk Service charge (the product of (1) and (2), above, is _____, which may increase from time to time if the Company's rates increase. The Company shall provide thirty (30) days prior notice of any rate increase.

C. Client shall not charge any Subscriber any fee for Bulk Service in excess of the Current Rate. Client agrees to provide a Notice of Bulk Service Customer Rights (which form of Notice will be supplied by Company to Client) to each building resident and to post such notice in a conspicuous location on the Premises for a period of no less than thirty (30) days following execution of this Agreement.

D. If Client fails to pay any bill within thirty (30) days of the date of the bill, the Company may deny Client the discounted rate for Bulk Service and may require Client to pay the Company's then Current Rate as defined in Section II(2)(2) above for the total number of apartments specified in Section I receiving Bulk Service for that delinquent month and until such time as payments are paid in full.

E. Client shall notify the Company within ninety (90) days of receipt of a bill of any errors which it claims to have been made on such bill. If notification is not made within this period, the Company will consider the bill to be acceptable to the Client, and the Company will have no liability for refunds related to such bill.

III. ADDITIONAL SERVICES

A. The Company shall directly bill Subscribers at its then current installation and monthly service rates for all other connections and services made or rendered beyond the Bulk Service for the primary outlet, including, without limitation, additional or relocated outlets (including the relocation of the primary Bulk Service outlet), additional converters, monthly premium or pay television services, pay-per-view and any other services or charges ("Additional Services"). Client shall have no responsibility under this Agreement for any payments for such Additional Services.

B. The Company may deny Additional Services to, or take lawful action against any Subscriber who fails to pay, when due, any amount lawfully payable with respect to installation or lost converter fees or services of the Company.

IV. CONSTRUCTION AND INSTALLATION

A. The Company may, where necessary, install television cables, wires, amplifiers, converters, equipment and appurtenant devices through, in or on the Premises, and may enter or exit from the Premises with all equipment necessary for the provision of services by the Company to the Premises or to other buildings in the area. All work by the Company will be done with reasonable care and in a workmanlike fashion.⁴

B. The Company shall be responsible for any damage to the Premises resulting from its work. Such work will comply with all applicable laws, codes and municipal regulations, and the Company will procure, prior to commencing work, and at its own expense, all permits necessary to perform said work. All work done by the Company on the Premises will be in accordance with all union jurisdictional rules.

⁴ [Should the Client request internal wiring, the parties will negotiate language to ensure that the Company will be guaranteed access necessary to provide prompt and efficient service. That language will include a statement that the agreement is subject to and contingent upon receiving prior approval by the DTE of any plan for internal wiring.]

C. Client shall provide the Company with reasonable access to the Premises for building, maintaining, services, replacing and relocating the cable television system at the Premises (the "System") which the Company has the exclusive right to do and which it shall do at its own cost and not at the cost of Client.

D. Neither Client nor anyone acting by or under the authority of Client shall at any time service, maintain, tamper with, make any alterations to, interconnect with, interfere with, disconnect or remove or knowingly permit any person who is not authorized by the Company to service, maintain, tamper with, make any alterations to, interconnect with, interfere with, disconnect or remove any part of any device, cable, wire, equipment or material installed by the Company.

V. NEW TECHNOLOGY

Client understands that the Company is currently rebuilding its cable television system pursuant to: (1) an Upgrade Plan for Cable Television Systems in Manhattan which was adopted by the New York City Board of Estimate on January 22, 1987 and (2) a Resolution, Calendar No. 55-A of the Board of Estimate of the City of New York Consenting to the Transfer of Control of the Company adopted by the Board of Estimate on June 15, 1989. This rebuilding includes rewiring buildings. Client shall provide the Company with reasonable access for servicing, replacing and relocating the System including rewiring the Premises in accordance with such rebuild or any subsequent rebuild or any other necessary rewiring.

VI. OWNERSHIP OF EQUIPMENT

A. All equipment (including, without limitation, cables, amplifiers and converters) installed or supplied by the Company pursuant to this Agreement or in connection herewith, shall remain the property of the Company. Nothing herewith, shall be deemed to create any property interest in any such equipment in Client, Subscriber or any other person.

B. Client shall be liable to the Company for the cost of replacement of any converter and remote control unit to provide Subscribers with the first connection for Bulk Service if such converter and remote control unit is damaged, stolen, lost or disappears for any other reason. Client shall not be liable for

the damage, loss, theft or disappearance of any additional converters and remote control units which were installed at the Subscriber's request.

VII. CHANGES OF RESIDENTS OR APARTMENT COUNT

A. In the event that a Subscriber moves out of or sublets an apartment, Client shall furnish the Company with the name of the new resident or sublessee of such apartment as soon as Client learns of such change. Client shall provide each such new resident with a copy of the Company's Notice of Bulk Service Customer Rights.

B. Client shall have the responsibility to remove and store the converter installed for Bulk Service from an apartment that has been vacated and shall be responsible for any necessary replacement if lost or damaged while in Client's possession.

C. Client shall notify the Company of any change in unit count as soon as owner learns of such change.

VIII. NOTICES

All notices shall be in writing delivered by certified mail, return receipt requested, to the appropriate party at its address set forth below:

Client: _____

[Time Warner Cable of New York City
120 East 23rd Street
New York, New York 10010

Attention: Vice President of
Corporate Development

cc: Office of the General Counsel;

[Paragon Cable Manhattan
5120 Broadway
New York, New York 10034

Attention: Vice President of Marketing

cc: Office of Counsel]

IX. TERM

A. This Agreement shall remain in full force and effect for five (5) years. Either party may terminate this Agreement upon three (3) months prior written notice.

B. Termination of this Agreement shall not effect (1) any rights the Company may have under applicable laws or regulations to install, maintain, replace and/or relocate its wires, conduits, cables, amplifiers, converters and all appurtenant devices, into, out of, across, through, over or under the Premises or (2) the ownership by the Company of any equipment installed by it.

X. GOVERNING LAW

A. This Agreement is subject to (1) all applicable laws, rules or regulations of the United State, New York State and the City of New York and the agencies thereof, and (2) the Franchise Agreement dated June 28, 1990 between the Company and the City of New York, as it may be amended, modified or renewed. If necessary in order to comply with applicable Federal, State or City laws, rules or regulations or with its Franchise Agreement, the Company may immediately cancel this Agreement without further obligation. The Company shall advise Client in writing of any notification set forth in this paragraph it receives, as soon as practicable.

B. This Agreement, its interpretation, performance or any breach thereof, shall be governed by the laws of the State of New York, and any claims arising hereunder shall be brought in a court located in the County and City of New York.

XI. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties hereto, contains the full understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements, promises, proposals, representations, understandings, and negotiations, whether written or oral, between the parties, respecting the subject matter hereof.

XII. HEADINGS

Headings used in this Agreement are for reference only and shall not be deemed part of this Agreement.

[TIME WARNER CABLE OF
NEW YORK CITY,
a division of Time Warner
Entertainment Company, L.P.]

[PARAGON CABLE MANHATTAN]

CLIENT: _____

BY: _____
Signature

BY: _____
Signature

Name (Print)

Name (Print)

Title (Print)

Title (Print)

Date

Date



THE CITY OF NEW YORK
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
75 Park Place, 6th Floor
New York, New York 10007

William F. Squadron
Commissioner

Telephone: (212) 788-6540
Facsimile: (212) 788-6551

November 18, 1992

Richard Aurelio
President
Time Warner New York City Cable Group
Time-Life Building, Rockefeller Center
New York, New York 10020

Re: Bulk Rate Proposal

Dear Mr. Aurelio:

Pursuant to Section 5.4 of the 1990 franchise agreements, the Manhattan system of Time Warner Cable of New York City ("MCTV") and Paragon Cable Manhattan ("Paragon") may only enter into bulk rate pricing arrangements in the provision of cable television services if such arrangements are in conformance with a written plan submitted to and approved by the City's Commissioner of the Department of Telecommunications and Energy ("DTE"). By letter dated October 10, 1992 you submitted for MCTV and Paragon an Amended Bulk Rate proposal, revising previous proposals in response to concerns raised by DTE. DTE has reviewed the October 10 proposal and has determined that, provided MCTV and Paragon accept and agree to certain changes and additions to that proposal which are specified below, such proposal, as thus amended, is designed to meet the public interest and is approved for implementation.

The franchise agreement restrictions on bulk rate arrangements reflect concerns that such arrangements may create unfair pricing distinctions to the advantage of a small number of subscribers, and might allow non-franchised building owners to profit inappropriately by "marking up" cable fees.

Ex. C